

Hearing Date and Time: April 23, 2020 at 9:30 a.m. (ET)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

MOTORS LIQUIDATION COMPANY, *et al.*,
f/k/a General Motors Corporation, *et al.*,

Debtors.

Chapter 11 Case No.

09-50026 (MG)

(Jointly Administered)

**LIMITED JOINDER OF DEBTOR-IN-POSSESSION LENDERS UNITED STATES
DEPARTMENT OF THE TREASURY AND EXPORT DEVELOPMENT CANADA IN
OBJECTION OF AVOIDANCE ACTION TRUST TO MOTION OF GENERAL
UNSECURED CREDITORS' TRUST FOR SETTLEMENT APPROVAL PURSUANT
TO BANKRUPTCY RULE 9019**

The United States of America (the “**United States**”), on behalf of the United States Department of the Treasury (“**Treasury**”), and Export Development Canada (“**EDC**”), jointly as debtor-in-possession lenders (“**DIP Lenders**”), respectfully submit this limited joinder to the objection filed by the Avoidance Action Trust (“**AAT**”), ECF No. 14708 (the “**AAT Objection**”).

The DIP Lenders have no interest in the underlying “economic loss” litigation that is the subject of the proposed settlement. The DIP Lenders do, however, retain a right to recover certain unused AAT administrative funds once the AAT completes its contractual obligations

and winds down. *See* ECF No. 13748 (Aug. 30, 2016) (stipulation and order fixing DIP Lenders' right to receive 30% of distributions from AAT). And the only impediment to AAT completing its long-awaited wind-down is the need for a resolution of the claims or potential claims against the estate of the economic loss plaintiffs.

The DIP Lenders join in the AAT Objection to the feature of the proposed settlement that, rather than having the GUC Trust resolve all claims or potential claims against the estate, instead attempts to extricate the GUC Trust from claim-resolution duties that it assumed pursuant to the confirmed Plan of Liquidation (the "**Plan**") and its governing trust agreement, while authorizing ongoing litigation by certain claimants, now redirected against the AAT. The AAT's purpose under its governing trust agreement and the Plan was to prosecute certain avoidance actions on behalf of the estate and to distribute the proceeds of such actions according to entitlements defined by the Plan and governing trust agreement, including to certain holders of allowed unsecured claims. The AAT's purpose was not and is not to assume direct responsibility for the estate's claim resolution process. Thus, the proposed settlement is inconsistent with the Plan and the governing trust agreements and unfairly saddles the AAT with costly, open-ended burdens that are foreign to the AAT's purpose.

The Court should not approve the proposed settlement so long as it requires AAT to assume the GUC Trust's responsibilities and costs, and frustrates what would otherwise be AAT's ability to promptly wind down its affairs, including the distribution of unused AAT administrative funding to the DIP Lenders and other trust beneficiaries.

CONCLUSION

The Court should deny the proposed settlement unless it is modified so that the AAT will not be subject to any ongoing claim-related litigation obligations or costs by economic loss

plaintiffs or any other claimants who wish to pursue such claims and recoveries against the estate.

Dated: New York, New York
April 20, 2020

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